



Privacy Act of 1974; System of Records

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice of a Modified System of Records.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, notice is given that the Board of Governors of the Federal Reserve System (Board) proposes to modify an existing system of records entitled, BGFRS-36, “FRB—Federal Reserve Application Name Check System.” The Board uses BGFRS-36 to track the processing of applications, notifications, and other filings submitted by financial institutions supervised by the Board, including through the Federal Reserve Banks.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. This revised system of records will become effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], without further notice, unless comments dictate otherwise.

The Office of Management and Budget (OMB), which has oversight responsibility under the Privacy Act, requires a 30-day period prior to publication in the *Federal Register* in which to review the system and to provide any comments to the agency. The public is then given a 30-day period in which to comment, in accordance with 5 U.S.C. 552a(e)(4) and (11).

ADDRESSES: You may submit comments, identified by *BGFRS-36 “FRB- Federal Reserve Application Name Check System,”* by any of the following methods:

- *Agency Website:* <https://www.federalreserve.gov>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- *Email:* regs.comments@federalreserve.gov. Include SORN name and number in the subject line of the message.
- *Fax:* (202) 452-3819 or (202) 452-3102.

- *Mail:* Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons, or to remove sensitive personally identifiable information. Public comments may also be viewed electronically and in-person in Room M-4365A, 2001 C St. NW

Washington, DC 20551, between 9:00 a.m. and 5:00 p.m. during federal business weekdays.

FOR FURTHER INFORMATION CONTACT: David B. Husband, Senior Counsel, (202) 530-6270, or david.b.husband@frb.gov; Legal Division, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunication relay services.

SUPPLEMENTARY INFORMATION: This system allows Federal Reserve Bank staff (acting under authority delegated by the Board) and Board staff (collectively, “FRS staff”) to manage the processing of applications, notices, or other filings that involve individuals and are submitted by or associated with financial institutions for approval or other action. As part of the review and approval process for these filings, FRS staff evaluate the fitness of individuals who propose to be associated with a financial institution. The evaluation involves the conduct of background checks designed to uncover criminal activities of these individuals. The FRS staff use the information stored and processed by this system to monitor and track the progress and status of these fitness evaluations.

First, the Board is amending the system of records to update the authority for the maintenance of the system. The Board is adding a citation to the Home Owner’s Loan Act (12 U.S.C. 1467a) and the Board’s Regulation LL (12 CFR Part 238) because savings and loan holding companies also submit applications, notices, and proposals to the Board to evaluate and consider the proposed officers, directors, principal shareholders, or other individuals associated with the holding company. This addition aligns the cited statutory authority with the broad

purpose of the system, which has been and continues to be the collection of information from “holding companies” generally. With this change, the cited authority now includes express citations for bank and savings and loan holding companies rather than bank holding companies only.

The Board is also amending the system-specific routine uses to state that the name check results, which are part of the fitness evaluation, may be disclosed in accordance with applicable Board routine uses. The Board is making this change as the Board has determined that name check results should be treated the same as other information obtained in the fitness evaluation and therefore should be subject to disclosure in accordance with the routine uses applicable to the system. While the Board does not intend to typically share the name check results, this change provides the Board the ability to share name check results in accordance with the published routine uses if needed. The Board is also amending system-specific routine use number two to permit the sharing of the information covered by this system with other bank regulatory agencies as necessary on a confidential basis consistent with explicit information sharing agreements rather than for regulatory comment purposes only because the Board works with those agencies on supervisory and regulatory matters beyond those focused on regulatory comments. The Board is also eliminating the reference to “thrift regulatory agencies” in the phrase “other bank and thrift regulatory agencies” as outdated because the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, 124 Stat. 1376 (2010)) dissolved the Office of Thrift Supervision. Thus, the Board proposes to revise routine use two to read: “to disclose certain information to other bank regulatory agencies pursuant to explicit information sharing agreements.”

The Board is also taking the opportunity to amend the system to generally harmonize terms, note that records are no longer stored in paper form (other than historical records) but in electronic form, and update the category of individuals to more clearly match the purpose of the system. The Board is also updating the contact information for the system manager, the record

source categories, the system location information, and the policies and practices for retrieval of records.

The Board is also making technical changes to BGFRS-36 consistent with the template laid out in OMB Circular No. A-108. Accordingly, the Board is making technical corrections and non-substantive language revisions to the following categories: “Policies and Practices for Storage of Records,” Policies and Practices for Retrieval of Records,” “Policies and Practices for Retention and Disposal of Records,” “Administrative, Technical and Physical Safeguards,” “Record Access Procedures,” “Contesting Record Procedures,” and “Notification Procedures.” The Board is also adding the following new fields: “Security Classification” and “History.”

SYSTEM NAME AND NUMBER: BGFRS-36 “FRB—Federal Reserve Application Name Check System”

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: The Board maintains the electronic records at the following location: East Rutherford Data Center, 100 Orchard Street, East Rutherford, NJ 07073.

SYSTEM MANAGER(S): Susan Motyka, Deputy Associate Director, Division of Supervision and Regulation, 20th Street and Constitution Avenue, N.W., Washington DC 20551, at (202) 452 -5280 or susan.e.motyka@frb.gov.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Sections 9, 19, 25 and 25A of the Federal Reserve Act (12 U.S.C. 321-328, 466, 601-604(a), and 611-631); the Change in Bank Control Act (12 U.S.C. 1817(j)); Section 18(c) of the Bank Merger Act (12 U.S.C. 1828(c)); Section 32 of the Federal Deposit Insurance Act (12 U.S.C. 1831i); Sections 3, 4, and 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842, 1843, and 1844); Section 10 of the Home Owners’ Loan Act (12 U.S.C. 1467a); Section 5 of the Bank Service Company Act (12 U.S.C. 1865); Sections 7, 8, and 10 of the International Banking Act (12 U.S.C. 3105, 3106, and 3107); the Board’s Regulation H (12 CFR Part 208); the Board’s Regulation K (12 CFR Part 211); the

Board's Regulation L (12 CFR Part 212); the Board's Regulation LL (12 CFR Part 238); the Board's Regulation Y (12 CFR Part 225); and Executive Order 9397.

PURPOSE(S) OF THE SYSTEM: These records are collected and maintained to assist the FRS in evaluating the proposed officers, directors, principal shareholders, or other individuals associated with a depository institution, holding company, or other foreign or domestic entity in connection with consideration of various regulatory applications, notices, or filings. The FRS uses these records, along with other information, to determine whether the filing meets the statutory factors for approval.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals, such as directors, officers, employees, controlling shareholders, or persons who are the subject of the background checks designed to uncover criminal activities bearing on the individual's fitness to be a director, officer, employee, or controlling shareholder, or other individual associated with a depository institution, holding company, or other foreign or domestic entity.

CATEGORIES OF RECORDS IN THE SYSTEM: The categories of records in the system include: name; social security number, passport number, or other identifying number; address; occupation; birth city, state, and country; country(ies) of citizenship; date of birth; names of related companies and the person's role at those companies; an indication whether each agency conducting a check had any information on the person and the results of the name check; and name and address of the financial institution that submitted the application with which the person was associated.

RECORD SOURCE CATEGORIES: Information is provided by the individuals to whom the record pertains or their agents (such as law firms or consultants) during the regulatory application, notice, or filing process. The results of a background check are also provided by the relevant agency. In addition, FRS staff, as part of the due diligence process associated with the review of a particular filing, performs name checks on the individuals to be involved in such

filings by contacting other relevant Federal agencies, for comments and other information related to the identified individuals.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

General routine uses A, B, C, D, G, I, and J apply to all other categories of information in the system. These general routine uses are located at <https://www.federalreserve.gov/files/SORN-page-general-routine-uses-of-board-systems-of-records.pdf> and are published in the Federal Register at 83 FR 43872 at 43873-74 (August 28, 2018). These records may also be used:

1. to disclose certain information to other Federal agencies to enable completion of the name check process related to a particular filing; and
2. to disclose certain information to other bank regulatory agencies pursuant to explicit information sharing agreements.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Record are stored in electronic form. Some historical records are still stored in paper form.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Records are generally retrieved by an identification code internally assigned to each related filing or by the name of the financial institution involved in the related filing. However, records also can be retrieved by the name of the individual.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS: All records are retained for 15 years and destroyed when no longer needed for administrative or reference purposes.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS: Electronic files are stored on secure servers and historical paper records are stored in locked file cabinets. Access is restricted to authorized employees and contractors within the Board or Federal Reserve System who require access for official business purposes. Users are classified into different roles and common access and usage rights are established for each role. User roles are used to delineate

between the different types of access requirements such that users are restricted to data that is required in the performance of their duties. The electronic storage systems have the ability to track individual actions within the applications. Periodic audits and reviews are conducted to determine whether authenticated users still require access and whether there have been any unauthorized changes in any information maintained. The audit and accountability controls, which are based on NIST and Board standards, assist in detecting security violations or other issues within the electronic system.

RECORD ACCESS PROCEDURES: The Privacy Act allows individuals the right to access records maintained about them in a Board system of records. Your request for access must: (1) contain a statement that the request is made pursuant to the Privacy Act of 1974; (2) provide either the name of the Board system of records expected to contain the record requested or a concise description of the system of records; (3) provide the information necessary to verify your identity; and (4) provide any other information that may assist in the rapid identification of the record you seek.

The Board handles all Privacy Act requests as both a Privacy Act request and as a Freedom of Information Act request. The Board does not charge fees to a requestor seeking to access or amend his/her Privacy Act records.

You may submit your Privacy Act request to the—

Secretary of the Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington DC 20551

You may also submit your Privacy Act request electronically by filling out the required information at: <https://foia.federalreserve.gov/>.

CONTESTING RECORD PROCEDURES: The Privacy Act allows individuals to seek amendment of information that is erroneous, irrelevant, untimely, or incomplete and is maintained in a system of records that pertains to them. To request an amendment to your record,

you should clearly mark the request as a “Privacy Act Amendment Request.” You have the burden of proof for demonstrating the appropriateness of the requested amendment and you must provide relevant and convincing evidence in support of your request.

Your request for amendment must: (1) provide the name of the specific Board system of records containing the record you seek to amend; (2) identify the specific portion of the record you seek to amend; (3) describe the nature of and reasons for each requested amendment; (4) explain why you believe the record is not accurate, relevant, timely, or complete; and (5) unless you have already done so in a Privacy Act request for access or amendment, provide the necessary information to verify your identity.

NOTIFICATION PROCEDURES: Same as “Access procedures” above. You may also follow this procedure in order to request an accounting of previous disclosures of records pertaining to you as provided for by 5 U.S.C. 552a(c).

EXEMPTIONS PROMULGATED FOR THE SYSTEM: Certain portions of this system of records may be exempt from 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (H), and (I), and (f) of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2).

HISTORY: This SORN was previously published in the Federal Register at 73 FR 24984 at 25011 (May 6, 2008). The SORN was also amended to incorporate two new routine uses required by OMB at 83 FR 43872 (August 28, 2018).

Board of Governors of the Federal Reserve System.

Ann Misback,
Secretary of the Board.